

Exhibit 2

David Silbert

From: Alan Block [BlockA@hbdlawyers.com]
Sent: Friday, September 12, 2008 5:34 PM
To: David Benyacar
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Subject: In re Acacia

Attachments: HBDDOCS-#696432-v2-Stipulation_re_Judgment_on_Invalidity.DOC

David --

Yesterday you called me to discuss Acacia's pending Motion for Summary Judgment, currently set for hearing by the Court on October 20, 2008. Specifically, you asked whether Acacia would be willing to agree to postpone the hearing on its Motion until sometime after all of the currently pending Section 112 motions have been resolved. In making this request, you informed me that defendants do not dispute any of the underlying relief sought by Acacia in its Motion; indeed, you recognized that defendants asked for the very same relief in your pending Section 112 motion.

Acacia will not agree to postpone the hearing date, as you requested. In light of the fact that defendants do not dispute any of the underlying relief sought by Acacia in its Motion, as you have stated to me and as stated in your Section 112 motion, defendants have no good faith basis for opposing Acacia's Motion. We therefore propose that the parties enter into a stipulation consenting to the relief sought by Acacia in its Motion and vacating the hearing date on Acacia's Motion. I have attached a proposed stipulation for you, and all defendants' counsel, to review.

Please let me know if defendants will execute the attached stipulation.

Sincerely,
Alan



Hennigan Bennett & Dorman^{LP}

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COUNSEL LISTED ON SIGNATURE PAGES

UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

In re) Case No. 05 CV 01114 JW
ACACIA MEDIA TECHNOLOGIES)
CORPORATION) MDL No. 1665

) Case No. 05 CV 01114 JW
) MDL No. 1665

1926 VOL. 1003

) **JOINT STIPULATION AND [PROPOSED]
ORDER FOR JUDGMENT ON ACACIA'S
PATENT INFRINGEMENT CLAIMS AND
ON DEFENDANTS' COUNTERCLAIMS
FOR PATENT INVALIDITY**

) DATE: N/A

) TIME: N/A

) CTRM: 8, 4th Floor

) JUDGE: Hon. James Ware

1 WHEREAS, on June 17, 2008, Plaintiff Acacia Media Technologies Corporation (“Acacia”)
2 filed a Motion for Summary Judgment Pursuant to Fed.R.Civ.P. 56 on Acacia’s Patent Infringement
3 Claims and on Defendants’ Counterclaims for Patent Invalidity (Doc. No. 287) (the “Motion”);

4 WHEREAS Acacia’s Motion is set for hearing by the Court on October 20, 2008;

5 WHEREAS no defendant in this MDL proceeding disputes the underlying relief sought by
6 Acacia in its Motion and each defendant consents to the relief sought by Acacia in the Motion;

7 WHEREAS the parties seek to resolve Acacia’s Motion without the need for any additional
8 briefing or hearing;

9 NOW, THEREFORE, the parties, by and through their respective counsel of record, hereby
10 stipulate and agree to the relief sought by Acacia in its Motion, and hereby seek entry by the Court
11 of Judgment on Acacia’s claims for patent infringement and on defendants’ counterclaims for patent
12 invalidity, as follows:

13 1. The following claims are asserted by Acacia against one or more defendants in these
14 MDL proceedings: Claims 41, 45, and 46 of the ‘992 patent; Claims 17-19 of the ‘863 patent;
15 Claim 11 of the ‘720 patent; and Claims 1-42 of the ‘702 patent (the “Currently-Asserted Claims”).

16 2. All of the Currently-Asserted Claims are invalid as being indefinite under 35 U.S.C.
17 § 112, ¶ 2, based on the Court’s constructions:

- 18 • Claims 1-42 of the ‘702 patent are invalid, based on the Court’s determinations in its
19 2nd Claim Construction Order (“CCO”) that the claim terms “sequence encoder”
20 (which appears in claims 1-26, 32, and 33 of the ‘702 patent) and “identification
21 encoder” (which appears in claims 1-42 of the ‘702 patent) are indefinite under 35
22 U.S.C. § 112, ¶ 2. (2nd CCO, at 18);
- 23 • Claims 41, 45, and 46 of the ‘992 patent and claims 17-19 of the ‘863 patent, which
24 require a “transmission system,” are invalid as being indefinite, based on:
 - 25 (1) the Court’s constructions of the term “transmission system” to mean the
26 “configurable, interconnected, assemblage of components labeled and
27 described in the specification as ‘transmission system 100,’ a detailed block
28 diagram of which is shown in Figures 2a and 2b” (6th CCO, at 11:15-18);

(2) the Court's statements that Figure 2a includes a component entitled "identification encoding process 112" and that the specification describes a component of the "transmission system 100" called the "identification encoder 112" (6th CCO, at 9:1-7); and

(3) the Court's determination that the term "identification encoder" is indefinite; and

- Claim 11 of the '702 patent is invalid as being indefinite based on:
 - (1) the Court's construction of the term "central processing location" to mean "a single transmission system, as previously defined, from which compressed, digitized data representing a complete copy of at least one item of audio/video information, is transmitted at a non-real time rate to at least one of a multiple of local distribution systems" (4th CCO, at 6:18-21);
 - (2) the Court's construction of "transmission system" as requiring an "identification encoder"; and
 - (3) the Court's determination that the term "identification encoder" is indefinite.

3. The parties have entered into two covenant not to sue stipulations and orders thereon, which the Court has entered, relating to claims initially asserted by Acacia against one or more defendant, but which have since been withdrawn by Acacia. In one Stipulated Covenant Not to Sue; Order Thereon, Acacia provided defendants with a covenant not to sue on claims 19-22, 23, 24, 42-44, 47, 48, 49, 51, 52, and 53 of the '992 patent; claims 2 and 5 of the '275 patent; claims 14-16 of the '863 patent; and claims 4 and 6-8 of the '720 patent. In the other Covenant Not to Sue; Order Thereon, Acacia provided the Internet defendants with a covenant not to sue on claims 1-18 of the '992 patent. Although the claims identified in the covenants not to sue were initially asserted by Acacia, these claims are no longer being asserted by Acacia against any defendant in these MDL proceedings and no defendant can be liable to Acacia on any of claims, as stated in the Court Order associated with each stipulated covenant not to sue.

1 4. As each of the claims that have ever been asserted by Acacia are either indefinite, and
2 therefore invalid, based on the Court's constructions, or are the subject of a covenant not to sue,
3 Acacia is entitled to judgment, as matter of law, in favor of defendants on Acacia's patent
4 infringement claims and in favor of defendants on their invalidity counterclaims.¹

5 IT IS SO STIPULATED.

6

7 Dated: September ___, 2008

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27 ¹ Acacia states that this stipulation is not a waiver by Acacia of any right to object to or appeal any
28 of the Court's claim constructions set forth in any of its six claim construction orders, Acacia having
expressly preserved such rights.

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ORDER

PURSUANT TO STIPULATION, IT IS HEREBY ORDERED THAT:

The hearing on Acacia's Motion for Summary Judgment Pursuant to Fed.R.Civ.P. 56 on Acacia's Patent Infringement Claims and on Defendants' Counterclaims for Patent Invalidity (Doc. No. 287), currently scheduled for October 20, 2008, is hereby vacated and no further briefing on the Motion shall be required.

Judgment is entered in favor of each and every defendant in these MDL proceedings on each and every one of Acacia's claims for patent infringement based on: (i) the Court's determination that all of the Currently-Asserted Claims are invalid as being indefinite based on the Court's claim constructions; and (ii) the Stipulated Covenants Not to Sue and Orders Thereon; and

Judgment is entered in favor of each and every defendant to these MDL proceedings on each and every one of defendants' counterclaims for patent invalidity based on: (i) the Court's determination that all of the Currently-Asserted Claims are invalid as being indefinite based on the Court's claim constructions; and (ii) the Stipulated Covenants Not to Sue and Orders Thereon.

DATED:

The Honorable James Ware
United States District Judge